



ALAMEDA-CONTRA COSTA MEDICAL ASSOCIATION

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December 13, 2005

The Honorable Mary Nejedly Piepho
Contra Costa County Board of Supervisors
309 Diablo Road
Danville, CA 94526-3416

Dear Mary Nejedly Piepho,

The Alameda-Contra Costa Medical Association, representing 3300 physicians in the East Bay, recognizes the significant challenge that seniors face in choosing a Medicare drug prescription plan under the new Medicare Part D program. To assist patients with this decision the ACCMA prepared the enclosed "Comparing and Choosing Medicare Drug Coverage – Information for Patients." This document was prepared in consultation with the Centers for Medicare and Medicaid Services (CMS), with information obtained from the CMS and the California Department of Aging.

To assist patients, the ACCMA has distributed copies of this article to its members to share with their patients. The ACCMA is also distributing the article to senior organizations in the East Bay. If you think it would be helpful you are welcome to copy this handout and distribute it to your constituents and to senior facilities and organizations in your community.

Sincerely,

Lamont D. Paxton, MD
President

Enclosure

Comparing and Choosing Medicare Prescription Drug Coverage - Information for Patients

Prepared by the Alameda-Contra Costa Medical Association



Beginning January 1, 2006, Medicare prescription drug coverage is available to all people with Medicare. Insurance companies and other private companies approved by Medicare will provide these plans. You can join one of these Medicare drug plans between November 15, 2005 and May 15, 2006. There are many drug plans available in your area to choose from. Each Medicare drug plan will have different costs, cover different drugs and use different pharmacy networks.

Two Types of Medicare drug plans Available

There are two types of Medicare drug plans that provide prescription drug coverage:

- Medicare Prescription Drug Plans (PDPs) that only provide prescription drug coverage. These plans add drug coverage to the Original Medicare Plan (Part A and/or Part B), Medicare Private Fee-for-Service Plans that don't offer prescription drug coverage, and Medicare Cost Plans.
- Medicare Advantage Plans (like a Medicare HMO, PPO, or Private Fee-for-Service Plan) and other Medicare Health Plans. These plans provide Medicare health care and prescription coverage through these plans.

Step 1: Consider Your Options, Which Vary Depending on Your Current Coverage

Patients can select the plan that best fits their needs, or choose to stay with drug coverage they may currently have. When deciding whether to stay with current coverage, you should determine if your plan is as good as or better than Medicare's standard drug coverage. Medicare requires plans to provide this information. If you don't join a plan by May 15, 2006, and you don't currently have a drug plan that, on average, covers at least as much as standard Medicare prescription drug coverage, you will have to wait until November 15, 2006 to join and your premium cost will go up at least 1% per month for every month that you wait to join. Like other insurance, you will have to pay this penalty as long as you have Medicare prescription drug coverage. If you join after May 15, 2006, the next open enrollment period is November 15, 2006 to December 31, 2006. However, coverage for people who enroll during this period will not take effect until January 1, 2007. Patients with limited income may be able to get extra help paying for coverage (see information for low income individuals below).

The steps patients should take to determine what they should do are dependent on the coverage they currently have. Identify which of the following applies to you, and request further information as suggested to help you decide which drug plan to choose:

- ☐ Patients with Standard (Fee-For-Service) Medicare Coverage:
 - You must choose a drug plan by May 15, 2006, or coverage may cost more later. You may choose a stand-alone Medicare prescription drug plan (PDP) or a Medicare Advantage plan (HMO) that would replace your standard Medicare coverage and also provide drug coverage.

- Read the section on drug coverage in your *Medicare & You 2006* guide from Medicare. For assistance choosing a plan check out the resources listed below.
- ☐ Do you have a Medicare Advantage Plan (HMO)?
 - Your plan should have sent you information in October 2005 about your prescription drug plan choices. If they didn't, contact them and request the information.
 - Your plan should tell you if your current plan is as good as or better than the Medicare drug plan. If it is not as good, coverage by a Medicare drug plan may cost you more if you decide to choose one after May 15, 2006. Call your plan if you have questions. You have the option of choosing from other Medicare Advantage (HMOs) plans in your area or choosing standard (fee-for-service) Medicare with a stand-alone drug plan. Remember, if you choose another plan your current coverage will automatically be terminated. Be sure that is what you want to do before taking any action.
- ☐ Do you have a Medicare supplement plan—Medigap coverage?
 - If your plan does not cover drugs, you can keep it and sign up for a stand-alone prescription drug plan (PDP). If your plan does cover prescriptions, it should inform you if your current plan is as good as or better than the Medicare drug plan and describe your options. If it is not as good, or if your plan has no drug coverage, a Medicare drug plan may cost you more if you decide to choose one after May 15, 2006. Call your Medi-gap plan phone number if you have questions.
- ☐ Do you have drug coverage through an employer or retiree benefit?
 - Your employer or union will tell you if your present plan will change because of Medicare's new drug coverage. You'll be told if your coverage is at least as good as Medicare's, if your current plan will offer a Medicare prescription plan or if you need to buy one on your own. If you choose to drop your current coverage and instead choose a Medicare drug plan you may not be able to rejoin your employer or retiree benefit plan at a later date.
 - Call your retiree or employer plan if you do not receive information or if you have questions. Check with your plan if you are considering enrolling in a Medicare prescription drug plan.
- ☐ Do you have Medi-Cal in addition to Medicare?
 - Your Medi-Cal prescription drug coverage ends on December 31, 2005. You will be automatically enrolled in a Medicare prescription drug plan effective on January 1, 2006, and notified of that before the end of the year. You have the option of choosing another plan at any time. Read all information sent to you about what drugs are included in the plan in which you have been enrolled. If the plan does not cover all of the drugs you need or use the pharmacy you prefer use the checklist and resources below to choose another plan.
- ☐ Are you enrolled in a Medicare Savings Program as a Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB) or Qualified Individual (QI)?

- You will need to join a Medicare prescription drug plan no later than May 15, 2006, if you want drug coverage. Read all information sent to you by the federal government. Use the checklist and resources below to help you make a choice.
- ☐ Are you low income, not on Medi-Cal and need help paying for the cost of your drug coverage?
- Read all the information sent to you by the federal government. If you are low income, but not on Medi-Cal, contact the Social Security Administration at 1-800-772-1213 to determine if you qualify for extra help paying for drug coverage. Like other Medicare beneficiaries, you will need to join a Medicare prescription drug plan no later than May 15, 2006, if you want drug coverage. Use the checklist and resources below to help you make a choice.
- ☐ Do you have Veterans Administration (VA), TRICARE, or the Federal Employee Health Benefits Program (FEHB)?
- As long as you still qualify, your TRICARE, VA, or FEHB prescription drug coverage is not changing. If you don't receive anything by mail, you should contact your benefits administrator or FEHB insurer for information about your coverage before making any changes. It will almost always be to your advantage to keep your current coverage without any changes. If you lose your TRICARE, VA, or FEHB coverage and you join a Medicare drug plan after May 15, 2006, in most cases, you won't have to pay a penalty, as long as you join within 63 days of losing TRICARE, VA, or FEHB coverage.

Step 2: Compare Medicare drug plans

When you find some drug plans you are interested in, use the chart on the next page to compare information about these plans. The steps below will help you complete the chart.

First, find out which plans cover your drugs.

- Drug plans will cover different generic and brand-name drugs in different drug categories on their drug lists.
- The drug list (formulary) may not include your specific drug. However, in most cases, a similar drug that is safe and effective should be available.

Second, find out the costs of each plan.

Medicare drug plans can vary on how much they charge and how much they cover. Choose the Medicare drug plans you want to know more about and compare the following for each plan:

- Premium. This is the monthly payment you make to get coverage.
- Deductible. This is the yearly amount you pay before your Medicare drug plan begins to pay.
- Coinsurance or Co-payments. This is your share of your prescription drug costs. Medicare and your drug plan also pay a share of the costs.
- Coverage limits. Some plans may have you pay all drug costs beyond a certain limit.

If you have limited income and resources, you may qualify for extra help paying for Medicare prescription drug coverage that can lower or even eliminate these costs. Medicare mailed letters to people who automatically qualify for extra help in May and June. If you didn't automatically qualify, the Social Security Administration (SSA) sent people with certain incomes an application for this extra help. If you didn't get an application but think you may qualify, call 1-800-772-1213. TTY users should call 1-800-325-0778. You can also visit www.socialsecurity.gov on the web, or apply at your State Medical Assistance office.

Third, find out each plan's pharmacy and mail order options.

- Medicare will require plans to have convenient pharmacies for you to choose from. If it's important to you to stay with your current pharmacy, find out if you can use your pharmacy with the drug plan.
- Some drug plans also allow you to get your prescriptions through the mail.

Step 3: Ask for help if needed

The following is a list of resources for additional information and assistance in selecting a plan:

- Medicare – The “Medicare & You 2006” handbook was mailed in October. Assistance in choosing a plan can be obtained by visiting www.medicare.gov, or by calling 1-800-633-4227. TTY users: 1-877-486-2048.
- Social Security Administration - Call at 1-800-772-1213 to determine eligibility for extra help in paying for Medicare drug coverage.
- Health Insurance Counseling and Advocacy Program (HICAP) at 1-800-434-0222, www.cahealthadvocates.org to find out about free counseling and local educational presentations.
- Medi-Cal and Medicare beneficiaries: Contact the Health Consumer Alliance at www.healthconsumer.org. HCA is a partnership of consumer assistance programs operated by community-based legal services organizations
- Call your local county social services department.

This article was prepared by the ACCMA staff in December, 2005, from information provided by the Centers for Medicare and Medicaid and the California Department of Aging.

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Medicare Drug Plan Comparison Chart
Prepared by Centers for Medicare and Medicaid

		Plan Costs			Plan Details	
Plan Name	Does the plan cover all my drugs?	Monthly Premium	Amount I pay for each prescription (copay)?	Yearly Deductible	Can I use my Pharmacy?	Is mail order available?